development stage and is planned for production in HAL. Private industry has been utilised for fabrication of wind tunnel model parts, tool design and manufacture, computer facilities for simulation including hardware and software, materials development and supply, manufacture of printed circuit boards etc. Further it is proposed to involve the private sector more in fabrication of aircraft parts, sub-systems and test facilities taking due care of quality and security.

(c) The main reasons for contemplating association of private sector are:-

i) Industrial base has vastly improved and it would help in building up of capability in development of high technology systems.

ii) multiple sourcing for technology, equipment, components, etc., in addition to the traditional Government sectors, would contribute to cost reduction.

iii) the investment of Government funds in the Government sector would be lowered.

iv) research and development teams could concentrate more on systems design and engineering rather than on production.

v) division of tasks and involvement of private sector would improve productivity and cost effectiveness; also enable the private sector to be more innovative and creative.

Impact of Devaluation on Exports

*136. SHRI CHETAN P.S. CHAUHAN:
SHRIMATI BHAVNA CHIKHALIA:

Will the Minister of FINANCE be pleased to state:

(a) whether much of the intended competitive edge to Indian exports has been lost as a result of devaluation of rupee and high rate of inflation; and

(b) if so, the reaction of the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (RAMESHWAR THAKUR) (a) and (b). No, Sir. The adjustments in the exchange rate of rupee in terms of the major currencies of the world were effected in two-stages on the 1st and 3rd July, 1991 as part of a package of policies aimed at restoring confidence and enhancing the international competitiveness of Indian exports. Although domestic inflation might have eroded the price advantage to exports provided by the exchange rate adjustment and the EXIM scrip policy, to some extent, the total impact of the policy remains highly favourable and India's exports are today much more competitive. Besides, several structural reforms in the spheres of industry and trade coupled with a strict monetary and fiscal discipline are expected to dampen inflationary pressures, to increase efficiency and productivity and impart dynamism to the growth process and thereby provide a solid foundation for higher exports and overall growth.

[*Translation*]

Losses Incurred by Central Cooperative Banks and Regional Rural Banks

*137. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of FINANCE be pleased to state:

(a) the average losses incurred by the Central Cooperative Banks and the Regional Rural Banks during each of the last three years; and

(b) the action taken or proposed to be taken to check the losses?

THE MINISTER OF STATE IN TEH MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). The National Bank for Agriculture and Rural Development (NABARD) based on data available with them in respect of a few loss making Central Cooperative Banks (CCBs) in 16 States has reported the average losses incurred by them during each of the three years, namely, 1986-87, 1987-88 and 1988-89 (latest available) as under:

	(*Rs. in lakhs*)
1986-87	52.03
1987-88	51.30
1988-89	68.10

In the case of Regional Rural Banks (RRBs) the average loss of loss making RRBs for the last three years was as under:

	(*Rs. in lakhs*)
1988-89	41.45
1989-90	57.50
1990-91	' 61.45

The lossed incurred by the CCBs arise on account of various factors like low business turnover, high cost of management, low operating margins, lack of diversification of loan portfolio, failure to manage funds prudently and low recovery. CCBs are under the administrative control of the State Governments/Union Territories and are governed by the respective cooperative legislation of the concerned States/Union Territories. CCBs are inspected by the State Government and NABARD also conducts their statutory inspections and suggests remedial measures. The performance of the Regional Rural Banks is monitored by NABARD and the Government of India at regular intervals. The increase in establishment expenses on account of revised pay and allowances to RRB staff as per the National Industrial Tribunal Award has accentuated the viability problems of these institutions. The Government of India, NABARD and RBI are seized of the problems and appropriate measures are under consideration to improve their functioning and viability.

Pension to Army Personnel on Retirement before Completion of 15 Years' Service

*138. SHRI BHUWAN CHANDRA KHANDURI: Will the Minister of DEFENCE be pleased to state:

(a) whether pension is not granted to the army personnel who do not complete 15 years' service in the Army;

(b) if so, the reasons therefor;

(c) whether the Government propose to grant pension or provide jobs in the Directorate General of Resettlement or in other civil services to such army personnel who are injured in war or on duty during the service period of 15 years;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) to (e). A statement is enclosed.

STATEMENT

1.1 As per the provisions of Pension Regulations for the Army (Part-I, 1961) the minimum qualifying service without weightage for earning a service pension is 15 years for Junior Commissioned Officers and Other Ranks and 20 years for Non-